

## ENTREPRENEURSHIP MANAGEMENT FOR THE POOREST OF THE POOR

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**ABSTRACT** - The Grameen Banking System (GBS) is a micro-credit financing system used to overcome poverty amongst the poorest of the poor (POP) in rural Bangladesh. It was introduced by Professor Muhammad Yunus, an Economics Professor at Chittagong University in Bangladesh, in 1976. The GBS model provides credit to women without a collateral and guarantee based on a group lending system. In Malaysia, Pertubuhan Kebajikan TECH Menceria Malaysia replicated the Grameen Model and applied it to disadvantaged women belonging to the poorest of the poor (POP) in terms of economic classification, that is, below the poverty line of RM 1000.00. The POPs selected by TECH were single mothers, abused women, abandoned women, disabled women and women with incapacitated husbands who had children to support and an income of less than RM 1000.00 per month. These women were given micro credit funds not more than RM 2000.00 and coached to initiate small entrepreneurial ventures such as tailoring, baking, food catering, poultry, handicraft, car wash and similar ventures. Whilst TECH could raise funds for the micro credit scheme and coaching, TECH did not have the capacity to initiate these women under an entrepreneurship development programme. Thus, the objective of this project is to overcome poverty amongst this selected group of women by transferring the knowledge of the entrepreneurship development and management. In spite of providing the training, trainers from lecturers of UniSZA were assigned as their business coaches through the 12 months to monitor their business in progress. The impacts of this project towards selected women were most of them more confident, communication skills improved and understand to read and prepare their business plan.

**Keywords:** The Grameen Banking System (GBS), Micro-credit Financing, Disadvantage Women, Entrepreneurship Development Programme

## PENGURUSAN KEUSAHAWANAN BAGI GOLONGAN TERMISKIN

**ABSTRAK** - Sistem Perbankan Grameen (GBS) adalah sistem pembiayaan kredit mikro digunakan untuk mengatasi kemiskinan untuk golongan termiskin (POP) di luar bandar Bangladesh. Ia telah diperkenalkan oleh Profesor Muhammad Yunus, Profesor Ekonomi di Universiti Chittagong di Bangladesh, pada tahun 1976. Model GBS menyediakan kredit kepada wanita tanpa cagaran dan jaminan berdasarkan satu sistem pinjaman berkumpulan. Di Malaysia, Pertubuhan Kebajikan TECH Menceria Malaysia meniru Model Grameen dan ia digunakan untuk wanita yang kurang bernasib baik yang dikategorikan golongan termiskin (POP) dari segi klasifikasi ekonomi adalah di bawah garis kemiskinan iaitu RM 1000.00. POPs yang dipilih oleh TECH adalah ibu tunggal, wanita didera, wanita yang ditinggalkan, wanita kelainan upaya dan wanita yang mempunyai suami yang tidak berkeupayaan serta mempunyai anak-anak untuk ditanggung dan pendapatan kurang daripada RM1000.00 sebulan. Wanita-wanita ini telah diberi dana mikro kredit tidak melebihi RM2000.00 dan dilatih untuk memulakan usaha dalam usahawan kecil seperti jahitan, penyajian makanan, penternakan ayam, kraftangan, mencuci kereta dan

*urusniaga yang berkaitan. Sementara itu, TECH boleh mengumpul dana bagi skim kredit mikro dan bimbingan, TECH tidak mempunyai keupayaan untuk mengadakan program pembangunan usahawan kepada wanita-wanita ini. Oleh itu, objektif projek ini adalah untuk mengatasi masalah kemiskinan di kalangan golongan-golongan wanita yang dipilih ini dengan memindahkan ilmu pembangunan keusahawanan dan pengurusan. Disamping menyediakan latihan, tenaga pengajar daripada pensyarah UniSZA telah ditugaskan sebagai pembimbing perniagaan mereka selama 12 bulan untuk memantau perkembangan perniagaan mereka. Impak projek ini terhadap wanita yang dipilih ini adalah kebanyakan daripada mereka menjadi lebih yakin, kemahiran komunikasi lebih baik dan dapat memahami dalam penyediaan pelan perniagaan.*

*Katakunci: Sistem Perbankan Grameen (GBS), Pembiayaan Kredit-mikro, Wanita kurang bernasib baik, Program Pembangunan Usahawan*

## **INTRODUCTION**

Center for Entrepreneurship UniSZA and the Faculty of Business Management and Accounting (FPPP) collaborates with NGOs, which is Pertubuhan Kebajikan Tech Menceria Selangor (TechOutreach Malaysia) was conducted Entrepreneur Development Programme which is "Entrepreneurship Management for the Poorest of the Poor" under grant KTP (Knowledge Transfer Program) sponsored by the Ministry of Education (MOE) . The project is led by Dr. Fakhrul Anwar bin Zainol that Director of Entrepreneurship Center and assisted by a lecturer from the Faculty of Business Management and Accounting, Prof. Madya. Dr. Wan Norhayate binti Wan Daud, Puan Maslina binti Mansor, Puan Noor Fadzlina Mohd Fadhil and Cik Mariana binti Jusop be as trainers. A total of 23 women micro entrepreneurs from around the district of Klang, Selangor have been involved in this project, which aims to transfer knowledge of business management and entrepreneurship to small businesses. Business coaching concept is also applied in this project to ensure that they adhere to a module that has been taught.

## **BACKGROUND OF THE PROGRAMME**

A large percentage of areas in Selangor and Wilayah Persekutuan has its fair share mothers who need assistance in the form of a self-sustainable income to support themselves and their children. Some of these women hold full-time job, some of them work temporarily, some of them do odd jobs, and many of them are unemployed, depending on handouts from NGOs and friends and family. Many of these women do not have a formal education, some of them are affected psychologically by the trauma of abuse, harassment and separation, and many have no support from their families. These women must be educated to be empowered and self-sustainable and not dependent on handouts. The objective of this project is to overcome poverty amongst this selected group single mothers by empowering these women through micro-credit financing and entrepreneurship development. The aim is to help create self-sustainable Single Mother Community. These women will only be empowered if they are made knowledgeable in areas that will help them succeed in their entrepreneurial ventures.

## **LITERATURE REVIEWS**

The Grameen Banking System (GBS) is a micro-credit system used to overcome poverty amongst the poorest of the poor (POP) in rural Bangladesh. It was introduced by Professor Muhammad Yunus, Economics Professor at Chittagong University in Bangladesh, in 1976. The GBS model provides credit to women without collateral and guarantee based on a group lending system. As of today, there are 8 million has been loaned out to these borrowers.

Borrowers pay back their loan installments on a weekly basis and are also encouraged to deposit a small savings (30 Taka) on a weekly basis. Women meet at a Centre where they hand over their loan installments and savings deposits to a Centre Manager, failing which the Centre Manager visits the women in their homes and collects the money from them. Grameen Bank does not borrow any money or grant nor receive any government aid. They are purely self-contained. Money comes from the deposits and they lend this money to the borrowers. Depositors comprise of borrowers and non-borrowers and deposits are in the form of savings accounts, fixed deposits and the pension scheme. The Grameen also lends money to what they call "struggling members" who are the beggars in the village. The GBS has also been replicated in more than 150 countries. Internationally, the GBS has been modified to a certain extent to adapt to the local socio-cultural and political environment.

In 2009, Pertubuhan Kebajikan TECH Menceria Malaysia replicated the Grameen Model and applied it to disadvantaged women belonging to the poorest of the poor (POP) in terms of economic classification, that is, below the poverty line of RM1000.00 in Malaysia. The POPs selected by TECH were single mothers, abused women, abandoned women, disabled women and women with incapacitated husbands who had children to support and an income of less than RM1000.00 per month. These women were given micro credit funds not more than RM 2000.00 and coached to initiate small entrepreneurial ventures such as tailoring, baking, food catering, poultry, handicraft, car wash and similar ventures. They were assigned Business Coaches to help them in their entrepreneurial ventures and given skills training in their related businesses. However, they lacked formal entrepreneurship education that is imperative in the success of their entrepreneurial ventures. Whilst TECH could raise funds for the micro credit scheme and coaching, TECH did not have capacity to initiate these women under an entrepreneurship development programme.

## **METHODOLOGY**

This project methodology is both academic and application oriented. Women are taught the concepts, tools, and theories of entrepreneurship management, and asked to apply these concepts to their present products and services. They are taken on site visits to successful entrepreneurial ventures to internalize how it is done in a real life situation. Successful Entrepreneurs are invited to offer them advice on how to succeed in today's competitive climate for a micro enterprise and SME. Lecturers are assigned as their Business Coaches to hand hold them through the 12 months of their course.

Implementation of this project is implemented through three phases which is phase 1 is (Module development), phase 2 is (Training) and phase 3 is (Business Coaching). Beginning Phase 1 (Module Development), start from August until October 2013, Workbook entrepreneurship and modules were completed by researchers. Workbook entrepreneurship and modules that have been made in conformity with educational level of the participants and will be used in phase 2 (training) of the project.

In phase 2, is training sessions which are involved three sessions within 3 month started from November 2013 until March 2014. First training session was held for three (3) days at the Pertubuhan Kebajikan TECH Menceria Selangor on 6 to 8 December 2013. A total of 23 participants were women a micro entrepreneur throughout Klang has joined this session and four modules were used in the learning sessions. Second training sessions was held on 24 and 26 January 2014 at Pertubuhan Kebajikan TECH Menceria Selangor. In this session, a women micro entrepreneur was exposed about the details of financial management and how to prepare the proper business plan. Third training sessions, which is last of the training session for completing phase 2 was held on 28 February to 2 Mac 2014.

In Phase 3, Business Coaching sessions was held for two (2) phases which is Phase 1 conducted on (April 2014) Phase II on (May 2014). For Business Coaching, researchers visited each participant's businesses within 2 months in stages. The purpose of business coaching session is to observe and monitor the participants and to ensure that all participants were practice modules they have learned during the training session they attend.

## **RESULTS AND DISCUSSION**

Entrepreneurship management for the poorest of the poor has been a success and has already seen a positive impact. Each phase was conducted are achieved the objective. As a result, this project not only received directly to participants of women micro entrepreneurs, but also to all those that involved in this project.

Workbook entrepreneurship and learning modules have been developed successfully. Workbook entrepreneurship is a key module in this training in order to transfer the knowledge directly to participants. Entrepreneurship workbook are divided into seven modules, which is Module 1 (marketing) Module 2 (Innovation Business) Module 3 (Sales) Module 4 (Customer satisfaction) Module 5 (Staff Management) Module 6 (Finance) and Module 7 (Business Model Canvas) while the module learning is also produced as an additional module and divided into four parts, which is the introduction (1 module), Basic Entrepreneurship (2 modules), Business Plans (3 modules) and Financial Management (4 modules).

Final Outcomes visible to targeted community are increasing their level of confidence and motivation to work harder in order to moving themselves for the better of life. Income of the participants also improved through the innovation of their product and their financial management will be systematic.

Final outcomes and impacts to Human Capital Development can also be generated through this project. Graduate Intern polishing skills in the arena of work involving the preparation of modules, training and business coaching. They can also

manage the project management knowledge and exposure to all relevant respondents either graduates Intern, Researcher and participants.

## **SUMMARY**

The 'Entrepreneurship Management for the Poorest of the Poor' are involves three phase which are phase 1 development module, phase 2 and phase 3 training business coaching. All three phases have been carried out successfully. From this project workbook entrepreneurs have been produced for the purpose of providing training directly to the participants so that they can received the knowledge by properly and easy for them to understand. Besides that, the learning module is also produced as additional modules in order to transfer the knowledge to the participants. The results of the project can be measured by the number of positive impacts has been demonstrated by the participants. The positive impact is the levels of confidence of participants were improved and the communication skills also are better than before. On the other hand, their income also improved through the innovation of their product.

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